



1615 L Street N.W. Ste. 1325
Washington DC 20036

July 20, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

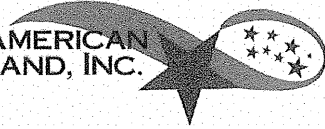
Re: Notice of *Ex Parte* Presentation
WT Docket Nos. 96-86, 06-150 and 06-169; PS Docket No. 06- 229

Dear Ms. Dortch:

On July 19, 2007, Subodh Nayar, President and Chief Operations Officer of Great American Broadband, Inc. ("GAB"), and Dr. Alan Pearce, Chief Economist of GAB, met by telephone with Angela Giancarlo, legal advisor for Commissioner Robert M. McDowell, to discuss the benefits associated with adopting a 20 percent "rural market bidding credit" for the 700 MHz service. GAB's position supports the views expressed in Comments and Reply Comments filed by the Wireless Internet Service Providers Association, and are summarized in the attached page that was provided to Ms. Giancarlo before the meeting.

GAB stated that it is a new entrant that is acquiring wireless Internet Service Providers in rural areas around the country, with plans to acquire licensed spectrum as a platform for expanded services and wider-area coverage resulting from the excellent propagation characteristics of 700 MHz spectrum. GAB explained that the availability of smaller CMAs and the small business bidding credit will go a long way towards encouraging broad participation in the auction, but that these benefits will not go far enough to address the unique service challenges in rural communities, including (a) lower average revenue per user; (b) higher capital expense due to the cost of build-out and lesser commitment from vendors; and (c) the higher incidence of economically disadvantaged communities in rural areas. GAB stated that a "rural market bidding credit," such as described in the attachment, would lower entry costs and thus help participants meet these challenges.

The 20 percent "rural market bidding credit" would apply only in the 428 rural CMAs for the 700 MHz auction. In order to claim the bidding credit, an auction participant would certify on its pre-auction application that it: (a) is not a "large wireless carrier" or a "large cable operator," defined as a company with average gross revenues exceeding \$5 billion for the three years preceding the auction; and (b) does not have a material relationship with any a "large wireless carrier" or "large cable operator." The Commission could use its audit authority to determine compliance with this standard.



Pursuant to Section 1.1206 of the Commission's Rules, this notice is being filed via ECFS in the above-referenced proceedings. Please direct any questions regarding this notice to the undersigned.

Sincerely,

/s/ Subodh Nayar
Subodh Nayar

Enclosure

cc: Angela Giancarlo



700 MHz Service Rules

GREAT AMERICAN BROADBAND, INC. is a new company that is acquiring wireless Internet Service Providers in rural markets throughout the country. GREAT AMERICAN BROADBAND believes that licensed spectrum, if made available at reduced cost, can change the way that rural Americans can access broadband services. Working with local WISPs, GREAT AMERICAN BROADBAND plans to participate in the 700 MHz auction by bidding on rural Cellular Market Areas ("CMAs") if the FCC adopts a "rural market bidding credit" that reduces costs for new entrants.

GREAT AMERICAN BROADBAND urges the FCC to adopt a 20 percent rural market bidding credit for the 428 rural CMAs to bidders that do not have a "material relationship" with a "large wireless carrier" or "large cable operator" (i.e., companies with average gross revenues of exceeding \$5 billion for the three years preceding the auction).

The rural market bidding credit will promote the public interest in the following ways:

- Greater public participation in the 700 MHz auction.
- Entry costs will be reduced, allowing winning bidders to allocate a higher percentage of capital expense to build-out.
- New entry will be facilitated, promoting diversity in the ownership of wireless facilities.
- New entry will spark competition in served areas and enable "greenfield" service in unserved rural areas.
- Economic opportunities will be advanced through employment, teleworking and retention of commercial enterprises that are flocking to larger markets that have broadband.
- Large carriers can still participate in the rural CMA auction – unlike set-asides or ownership restrictions, no bidder would be excluded.

Without harming any bidder or incumbent, the rural market bidding credit helps those bidders that need the most help to serve the rural areas of the country that are most in need.